GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2576
ANSWERED ON:02.08.2016
Cost of Sugar Production
Nete Shri Ashok Mahadeorao

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the cost of sugar production in various States in the country, particularly Maharashtra;
(b) whether the cost of sugar production is the highest in Maharashtra;
(c) if so, the reasons therefor and its effect on sugar prices; and
(d) the steps being taken by the Government to reduce the cost of sugar production?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a)to (b): The production cost of sugar depends upon various factors like availability of adequate raw material, recovery from sugarcane, duration of the season, plant size, efficiency of plant, diversification of product mix, State Advised Price of sugarcane, cost of working capital, managerial efficiency etc. Therefore, the production cost varies from factory to factory as also from state to state. The Central Government does not maintain state wise cost of sugar production.
(c): Does not arise.
(d): The Central Government extends concessional loans from Sugar Development Fund (SDF) for (i) modernization/ rehabilitation of plant and machinery (ii) sugarcane development (iii) production of ethanol from molasses and (iv) Bagasse-based cogeneration projects to increase the efficiency of the plant thereby reduction of cost of sugar production. However, it is the responsibility of the management concerned to take necessary steps to reduce production cost.
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